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WISCONSIN ECONOMIC INDICATORS

MARCH 1989

DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCES
L1	Composite Index of Leading Indicators	Wi. Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wi. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wi. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wi. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wi. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wi. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wi. Dept. of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Security Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wi. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wi. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wi. Dept. of Health and Social Services
X2	Death Registrations	Wi. Dept. of Health and Social Services
X3	Natural Net Gain in Population	Wi. Dept. of Health and Social Services
X4	Marriage Registrations	Wi. Dept. of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wi. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wi. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the census Method 11 Seasonal Adjustment Program.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading of coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism Development

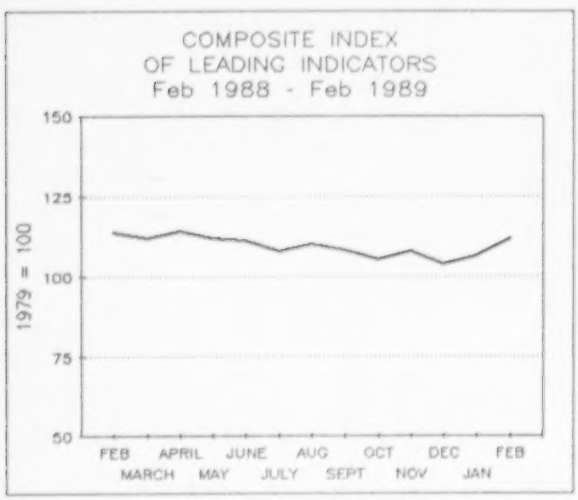
WISCONSIN ECONOMIC INDICATORS

SUMMARY FOR FEBRUARY

COMPOSITE INDEX

Wisconsin's composite index of leading economic indicators rose by 5.6 percentage points in February, signaling continued economic strength. This month's index number, 111.7, is the second highest on record.

Contributing to the increase were a large increase in the number of building plans examined, a growth in the number of job openings received by Job Service offices, and a positive trend in the net gain of business telephone access lines.



LEADING INDICATORS

The average workweek in Wisconsin's manufacturing industries remained the same as the month-earlier average. This month's weekly average of 41.5 hours, however, represents an upward trend since production workers usually average fewer hours in February.

Total employment in manufacturing did decline, but only slightly and well less than is seasonally normal.

The number of average weekly initial claims for unemployment compensation decreased by nearly twelve hundred in February. Yet, that is below par for this month. A decrease of about twenty-four hundred claims per week would be normal.

The unemployment level increased in February by about 74 hundred, very near normal for this month. The unemployment growth was offset, however, by strong growth in employment and in the size of the state's labor force.

The total number of job openings received by Job Service offices throughout the state increased by nearly six hundred. The number of workers that employers seek through the public employment offices usually decreases in February, so this month's growth puts the short-term trend well above par.

The number of new business incorporations slipped by over one hundred fifty, a more severe decrease than normal.

The number of commercial and industrial building plans examined increased by sixty-nine. That is a significant increase for February which normally has a decrease of examinations and which usually has the lowest number examined of any month.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1988
LEADING INDICATORS							
L1 COMPOSITE INDEX OF LEADING INDICATORS							
Seasonally Adjusted	Index	FEB 111.7	106.1	113.6	5.3%	-1.7%	97.9
L2 AVG. WORK WEEK, MFG.							
Unadjusted	Hours	FEB 41.5	41.5	41.6	0.0%	-0.2%	41.7
Seasonally Adjusted		41.7	41.5	41.8	0.5%	-0.2%	
L3 AVG. OVERTIME HOURS, MFG.							
Unadjusted	Hours	FEB 4.0	4.0	4.1	0.0%	-2.4%	4.1
Seasonally Adjusted		4.1	4.0	4.3	2.5%	-4.7%	
L4 AVG. WEEKLY INITIAL CLAIMS							
Unadjusted	Number	FEB 7584	8752	6794	-13.3%	11.6%	6833
Seasonally Adjusted		7501	6278	6720	19.5%	11.6%	
L5 TOTAL JOB OPENINGS RECEIVED							
Unadjusted	Number	FEB 6435	5839	5865	10.2%	9.7%	8063
Seasonally Adjusted		8925	7838	8133	13.9%	9.7%	
L6 NEW BUSINESS INCORPORATIONS							
Unadjusted	Number	FEB 560	711	547	-21.2%	2.4%	595
Seasonally Adjusted		603	680	589	-11.3%	2.4%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES							
Unadjusted	Number	FEB 2429	3103	2489	-21.7%	-2.4%	2471
Seasonally Adjusted		2582	2434	2820	6.1%	-8.4%	
L8 BUILDING PLANS EXAMINED							
Unadjusted	Number	FEB 457	388	418	17.8%	9.3%	613
Seasonally Adjusted		701	546	641	28.4%	9.4%	
COINCIDING INDICATORS							
C1 HELP-WANTED INDEX (MILW.)							
Seasonally Adjusted	Index	FEB 90	93	103	-3.2%	-12.6%	97
C2 UNEMPLOYMENT RATE, TOTAL							
Unadjusted	Percent	FEB 4.9	4.7	5.8	.....	.....	4.3
Seasonally Adjusted		4.2	4.2	4.9	.....	.....	
C3 NATURAL GAS SALES							
Unadjusted	Mil.	DEC 342.8	221.4	294.4	54.8%	16.4%	190.9
Seasonally Adjusted	Therms	197.9	181.6	171.2	9.0%	15.6%	
C4 NEW CAR REGISTRATIONS							
Unadjusted	Number	FEB 12,193	11,380	13,326	7.1%	-8.5%	14,734
Seasonally Adjusted		14,566	12,481	15,913	16.7%	-8.5%	
C5 ELECTRIC POWER SALES							
Unadjusted	Mil. KWH	DEC 2381.5	2344.9	2046.5	1.6%	16.4%	2397.3
Seasonally Adjusted		2439.7	2437.7	2097.0	0.1%	16.3%	
C6 TOTAL SECURITIES REGISTRATIONS							
Unadjusted	Mil. Dol.	FEB 42.4	275.9	113.0	-84.6%	-62.5%	156.1
Seasonally Adjusted		33.4	305.2	88.9	-89.1%	-62.4%	

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES				% CHANGE		AVG.
		Latest Month		Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1988
C7 MANUFACTURING EMPLOYMENT								
Unadjusted	Thous.	FEB	550.6	551.2	533.7	-0.1%	3.2%	550.7
Seasonally Adjusted			563.0	561.9	545.6	0.2%	3.2%	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	Dollars	FEB	$445.71	$444.88	$444.29	0.2%	0.3%	$443.48
Seasonally Adjusted			$444.38	$439.60	$442.87	1.1%	0.3%	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	Mil. Dol.	DEC	441.6	464.7	434.8	-5.0%	1.6%	417.1
Seasonally Adjusted			407.5	412.1	400.8	-1.1%	1.7%	
C10 CONTRACT CONSTRUCTION-EMPL.								
Unadjusted	Thous.	FEB	64.0	67.6	59.4	-5.3%	7.7%	71.5
Seasonally Adjusted			80.4	81.3	74.6	-1.1%	7.8%	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	Number	FEB	3678	4566	5848	-19.4%	-37.1%	590[illegible]
Seasonally Adjusted			4105	4650	6530	-11.7%	-37.1%	
X2 DEATH REGISTRATIONS								
Unadjusted	Number	FEB	3386	3983	4067	-15.0%	-16.7%	3632
Seasonally Adjusted			3403	3356	4087	1.4%	-16.7%	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	Number	FEB	292	583	1781	-49.9%	-83.6%	2274
Seasonally Adjusted			370	859	2255	-56.9%	-83.6%	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	Number	FEB	1522	1792	1613	-15.1%	-5.6%	3468
Seasonally Adjusted			3112	2904	3296	7.2%	-5.6%	
X5 CONSUMER PRICE INDEX				(Jun '88)	(Dec '87)			
Unadjusted (1982-1984 = 100)	Index	DEC	117.2	114.5	113.0	2.4%	3.7%	115.9
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	Index	FEB	143	146	131	-2.1%	9.2%	135
Seasonally Adjusted			143	144	131	-0.7%	9.2%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES								
Unadjusted	Number	FEB	61	1438	54	-95.8%	13.0%	2208
Seasonally Adjusted			1864	1973	2049	-5.5%	-9.0%	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	Number	FEB	235	0	11	ERR	2036.4%	107
Seasonally Adjusted			308	0	14	ERR	2100.0%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES								
Unadjusted	Number	FEB	9,343	9,426	14,920	-0.9%	-37.4%	14102
Seasonally Adjusted			9,855	10,190	15,741	-3.3%	-37.4%	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES FEBRUARY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
CIVILIAN LABOR FORCE	2587.1	2570.7	2505.0	0.6%	3.3%
Employment (incl. Labor Disputes)	2460.1	2451.1	2360.9	0.4%	4.2%
Unemployment	127.0	119.6	144.2	6.2%	-11.9%
Unemployment Rate	4.9	4.7	5.8	.....	.....
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2634.0	2621.7	2547.0	0.5%	3.4%
Employment (incl. Labor Disputes)	2523.2	2511.4	2421.1	0.5%	4.2%
Unemployment	110.8	110.3	125.9	0.5%	-12.0%
Unemployment Rate	4.2	4.2	4.9	.....	.....

WISCONSIN EMPLOYMENT ESTIMATES FEBRUARY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
TOTAL NONFARM WAGE AND SALARY WORKERS	2146.9	2139.8	2083.2	0.3%	3.1%
Manufacturing	550.4	551.2	533.7	-0.1%	3.1%
Mining	1.7	1.7	1.4	0.0%	21.4%
Contract Construction	64.0	67.6	59.4	-5.3%	7.7%
Transportation and Public Utilities	98.4	97.8	94.6	0.6%	4.0%
Electric, Gas and Sanitary Services	17.2	17.2	17.4	0.0%	-1.1%
Wholesale Trade	107.9	108.0	106.5	-0.1%	1.3%
Retail Trade	389.7	392.8	377.8	-0.8%	3.1%
General Merchandise	47.4	49.4	47.8	-4.0%	-0.8%
Finance, Insurance and Real Estate	116.8	116.6	113.3	0.2%	3.1%
Banking	27.7	27.7	27.4	0.0%	1.1%
Insurance	41.6	41.5	39.7	0.2%	4.8%
Service and Miscellaneous	484.3	479.9	466.6	0.9%	3.8%
Hospitals	72.9	73.0	70.8	-0.1%	3.0%
Private Education	26.0	24.3	25.2	7.0%	3.2%
Government	333.7	324.2	329.9	2.9%	1.2%
State Government	83.4	80.1	83.9	4.1%	-0.6%
Local Government	220.9	214.5	217.2	3.0%	1.7%

UNITED STATES LABOR FORCE ESTIMATES FEBRUARY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	123,181	123,428	121,165	-0.2%	1.7%
Employment (incl. Labor Disputes)	116,853	116,711	114,273	0.1%	2.3%
Unemployment	6,328	6,716	6,892	-5.8%	-8.2%
Unemployment Rate	5.1%	5.4%	5.7%	.....	.....

WISCONSIN ECONOMIC INDICATORS

MANUFACTURING EMPLOYMENT Unadjusted FEBRUARY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
All Manufacturing (Incl. Canning)	550.4	551.2	533.7	-0.1%	3.1%
All Manufacturing (Excl. Canning)	543.4	543.9	525.1	-0.1%	3.5%
Durable Goods	341.5	541.4	529.4	-36.9%	-35.5%
Lumber and Wood Products (Excl. Furniture)	27.7	28.0	26.5	-1.1%	4.5%
Furniture and Fixtures	12.0	12.1	11.5	-0.8%	4.3%
Stone, Clay, and Glass Products	8.2	8.2	7.9	0.0%	3.8%
Primary Metal Industries	23.1	23.1	21.1	0.0%	9.5%
Iron and Steel Foundries	11.7	11.7	10.4	0.0%	12.5%
Fabricated Metal Products	59.2	59.0	55.4	0.3%	6.9%
Fabricated Structural Metal Products	14.1	14.3	13.4	-1.4%	5.2%
Metal Stampings	11.4	11.4	11.0	0.0%	3.6%
Machinery (Excl. Electrical)	110.6	110.0	104.9	0.5%	5.4%
Engines and Turbines	19.5	19.6	20.3	-0.5%	-3.9%
Farm Machinery and Equipment	13.3	13.1	12.8	1.5%	3.9%
Constr.,Mining, Material Handling Machinery	11.8	11.7	10.8	0.9%	9.3%
Metalworking Machinery and Equipment	13.8	13.7	12.4	0.7%	11.3%
Special Ind. Mach., Excl. Metalworking	14.4	14.3	13.3	0.7%	8.3%
Gen. Industrial Mach. and Equip.	15.1	15.0	13.4	0.7%	12.7%
Electrical Machinery, Equip. and Supplies	47.7	48.0	47.1	-0.6%	1.3%
Electrical Industrial Apparatus	15.8	15.8	15.6	0.0%	1.3%
Transportation Equipment	29.9	29.9	33.0	0.0%	-9.4%
Motor Vehicles and Equipment	22.9	23.2	25.8	-1.3%	-11.2%
Instrument and Related Products	12.9	13.0	12.7	-0.8%	1.6%
Miscellaneous Manufacturing	10.2	10.1	9.3	1.0%	9.7%
Nondurable Goods	208.9	209.8	204.3	-0.4%	2.3%
Food and Kindred Products	57.8	59.2	57.5	-2.4%	0.5%
Meat Products	14.2	14.5	13.6	-2.1%	4.4%
Dairy Products	17.3	17.6	16.9	-1.7%	2.4%
Canning and Preserving	7.0	7.4	8.1	-5.4%	-13.6%
Bakery Products	4.5	4.5	4.2	0.0%	7.1%
Beverage Industries	7.6	7.7	7.6	-1.3%	0.0%
Textile Mill Products	4.3	4.3	4.4	0.0%	-2.3%
Apparel and Other Finished Products	7.4	7.4	7.3	0.0%	1.4%
Paper and Allied Products	49.6	49.4	49.1	0.4%	1.0%
Pulp and Paper Mills	29.8	29.9	29.8	-0.3%	0.0%
Printing, Publishing and Allied Products	44.8	44.7	43.0	0.2%	4.2%
Chemicals and Allied Products	10.5	10.5	10.2	0.0%	2.9%
Rubber and Misc. Plastics Products	28.1	27.9	25.9	0.7%	8.5%
Miscellaneous Plastics Products	23.6	23.4	21.4	0.9%	10.3%
Leather and Leather Products	6.2	6.2	6.6	0.0%	-6.1%

Section C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS Unadjusted FEBRUARY	Average Weekly Earnings			Average Weekly Hours		
	Latest Mo.	Mo. Ago	Yr. Ago	Lacest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$445.71	$444.88	$444.29	41.5	41.5	41.6
All Manufacturing (Excl. Canning)	446.54	446.78	446.61	41.5	41.6	41.7
Durable Goods	450.19	448.93	455.76	41.8	41.8	42.2
Lumber and Wood Products (Excl. Furniture)	322.76	321.95	319.95	39.7	39.6	39.5
Furniture and Fixtures	368.83	379.80	351.11	43.7	45.0	42.1
Stone, Clay, and Glass Products	443.63	430.14	431.36	45.5	44.9	44.7
Primary Metal Industries	467.37	469.64	460.13	44.3	44.6	44.5
Iron and Steel Foundries	481.75	484.18	467.45	46.1	46.2	46.1
Fabricated Metal Products	421.89	419.22	426.78	41.0	41.1	41.8
Fabricated Structural Metal Products	421.34	416.25	426.85	41.8	41.5	42.6
Metal Stampings	488.14	496.05	466.58	42.3	42.8	41.4
Machinery (Excl. Electrical)	501.81	493.00	508.67	43.0	42.5	43.7
Engines and Turbines	509.92	490.49	555.10	39.9	38.2	42.7
Farm Machinery and Equipment	533.95	533.46	559.51	43.2	43.3	45.6
Const., Mining, Material Handling Machinery	485.93	496.80	515.95	42.7	43.2	45.7
Metalworking Machinery and Equipment	575.31	580.06	542.78	45.3	46.0	44.6
Special Ind. Mach., Excl. Metalworking	535.34	524.06	519.30	45.6	45.1	45.0
Gen. Industrial Mach. and Equip.	473.49	456.67	472.63	43.4	42.6	41.9
Electrical Machinery, Equip. and Supplies	398.80	412.64	406.93	39.8	41.1	39.7
Electrical Industrial Apparatus	422.91	444.79	428.53	41.3	42.2	39.9
Transportation Equipment	620.50	616.61	622.31	42.5	41.3	42.8
Instrument and Related Products	363.56	371.99	369.98	38.8	39.7	41.2
Nondurable Goods	437.63	439.36	425.08	40.9	41.1	40.6
Food and Kindred Products	408.40	413.29	396.41	40.0	40.4	39.8
Meat Products	372.04	365.88	366.46	41.2	39.9	40.9
Dairy Products	393.00	406.19	396.21	39.3	40.7	39.9
Textile Mill Products	352.54	333.98	308.95	44.4	42.6	45.3
Apparel and Other Finished Products	249.53	255.67	246.46	35.8	37.0	37.8
Paper and Allied Products	587.85	583.43	579.71	44.5	44.3	44.8
Pulp and Paper Mills	644.68	634.50	629.29	45.4	45.0	45.8
Printing, Publishing and Allied Products	432.62	436.75	421.47	38.8	39.1	37.8
Chemicals and Allied Products	426.37	415.80	392.94	40.3	39.6	37.0
Rubber and Misc. Plastics Products	346.98	356.01	329.73	40.3	41.3	39.3
Leather and Leather Products	261.21	257.87	264.07	38.3	37.7	39.8

WISCONSIN ECONOMIC INDICATORS

AVERAGE HOURLY EARNINGS Unadjusted FEBRUARY	Including Overtime			Excluding Overtime		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$10.74	$10.72	$10.68	$10.25	$10.23	$10.18
All Manufacturing (Excl. Canning)	10.76	10.74	10.71	10.27	10.25	10.21
Durable Goods	10.77	10.74	10.80	10.28	10.26	10.30
Lumber and Wood Products (Excl. Furniture)	8.13	8.13	8.10	7.86	7.89	7.84
Furniture and Fixtures	8.44	8.44	8.34	8.19	8.07	7.92
Stone, Clay, and Glass Products	9.75	9.58	9.65	9.11	8.98	9.02
Primary Metal Industries	10.55	10.53	10.34	9.89	9.89	9.68
Iron and Steel Foundries	10.45	10.48	10.14	9.68	9.74	9.44
Fabricated Metal Products	10.29	10.20	10.21	9.74	9.66	9.77
Fabricated Structural Metal Products	10.08	10.03	10.02	9.69	9.67	9.45
Metal Stampings	11.54	11.59	11.27	10.85	10.86	10.81
Machinery (Excl. Electrical)	11.67	11.60	11.64	11.09	11.08	11.05
Engines and Turbines	12.78	12.84	13.00	12.36	12.49	12.27
Farm Machinery and Equipment	12.36	12.32	12.27	11.69	11.72	11.61
Constr.,Mining, Material Handling Machinery	11.38	11.50	11.29	10.94	11.02	10.69
Metalworking Machinery and Equipment	12.70	12.61	12.17	11.84	11.75	11.51
Special Ind. Mach., Excl. Metalworking	11.74	11.62	11.54	11.02	10.96	10.88
Gen. Industrial Mach. and Equip.	10.91	10.72	11.28	10.33	10.22	10.87
Electrical Machinery, Equip. and Supplies	10.02	10.04	10.25	9.70	9.65	9.92
Electrical Industrial Apparatus	10.24	10.54	10.74	9.88	10.09	10.45
Transportation Equipment	14.60	14.93	14.54	13.93	14.31	13.72
Instrument and Related Products	9.37	9.37	8.98	9.15	9.10	8.70
Nondurable Goods	10.70	10.69	10.47	10.20	10.19	9.98
Food and Kindred Products	10.21	10.23	9.96	9.77	9.78	9.54
Meat Products	9.03	9.17	8.96	8.60	8.78	8.53
Dairy Products	10.00	9.98	9.93	9.56	9.51	9.43
Textile Mill Products	7.94	7.84	6.82	7.40	7.43	6.61
Apparel and Other Finished Products	6.97	6.91	6.52	6.81	6.78	6.41
Paper and Allied Products	13.21	13.17	12.94	12.45	12.41	12.14
Pulp and Paper Mills	14.20	14.10	13.74	13.36	13.27	12.83
Printing, Publishing and Allied Products	11.15	11.17	11.15	N.A.	N.A.	N.A.
Chemicals and Allied Products	10.58	10.50	10.62	10.15	10.15	10.33
Rubber and Misc. Plastics Products	8.61	8.62	8.39	8.31	8.27	8.11
Leather and Leather Products	6.82	6.84	6.66	6.62	6.66	6.40

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) FEBRUARY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS				
							INCL. OVERTIME			EXCL. OVERTIME	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$422.06	$425.17	$409.04	40.7	41.0	40.7	$10.37	$10.37	$10.05	.....	.....
Wisconsin	445.71	444.88	444.29	41.5	41.5	41.6	10.74	10.72	10.68	10.25	10.23
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	490.26	499.10	484.44	42.3	43.1	43.1	11.59	11.58	11.24	11.04	10.99
Eau Claire (Eau Claire-Chippewa)	434.47	444.52	442.20	41.2	41.7	40.2	10.32	10.66	11.00	9.87	9.97
Green Bay (Brown County)	469.53	478.91	478.61	40.9	41.5	41.8	11.48	11.54	11.45	11.00	10.96
Janesville-Beloit (Rock Co.)	587.38	590.96	499.15	44.6	44.4	41.7	13.17	13.31	11.97	12.45	12.53
Kenosha (County)	519.47	519.95	570.57	41.0	40.4	42.9	12.67	12.87	13.30	12.18	12.45
La Crosse (County)	392.98	365.93	353.13	40.1	38.6	38.3	9.80	9.48	9.22	9.46	9.27
Madison (Dane County)	407.18	417.91	405.82	40.8	41.5	40.3	9.98	10.07	10.07	9.63	9.66
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	477.92	477.02	479.83	41.2	41.3	41.4	11.60	11.55	11.59	11.00	10.98
Racine (County)	423.75	438.18	447.86	39.2	40.2	40.9	10.81	10.90	10.95	10.36	10.40
Sheboygan (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Wausau (Marathon County)	413.88	420.62	431.57	40.3	41.4	41.9	10.27	10.16	10.30	9.84	9.68

INA - Information Not Available due to budget reductions

MANUFACTURING EMPLOYMENT Unadjusted FEBRUARY	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
United States	19654.0	19656.0	19261.0	-0.0%	2.0%
Wisconsin	550.4	551.2	533.7	-0.1%	3.1%
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	52.3	52.5	50.1	-0.4%	4.4%
Eau Claire (Eau Claire-Chippewa)	11.7	11.5	10.8	1.7%	8.3%
Green Bay (Brown County)	24.9	25.0	23.7	-0.4%	5.1%
Janesville-Beloit (Rock County)	18.4	18.4	17.8	0.0%	3.4%
Kenosha (County)	11.6	11.9	14.6	-2.5%	-20.5%
La Crosse (County)	11.0	11.2	11.1	-1.8%	-0.9%
Madison (Dane County)	24.9	24.9	23.3	0.0%	6.9%
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	177.0	176.3	169.9	0.4%	4.2%
Racine (County)	26.4	26.4	25.6	0.0%	3.1%
Sheboygan (County)	INA	INA	INA		
Wausau (Marathon County)	13.6	13.6	12.7	0.0%	7.1%

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert
Department of Revenue

The current forecast projects an economy in which the Federal Reserve continues to put steadily increasing pressure on interest rates in an attempt to cool what it perceives to be an economy that is dangerously near overheating.

These actions, combined with spending restraint on the part of consumers and the federal government, should lead to a slow down in the rate of economic growth from mid-1989 to mid-1990.

This degree of slackening in the economy should reduce inflationary pressures sufficiently to forestall an acceleration of inflation, and stabilize inflation at its current rate. It is therefore assumed that the Federal Reserve will relent and allow interest rates to fall late in 1989 and in 1990, paving the way for more rapid economic growth in late 1990 and 1991.

NATIONAL OUTLOOK

The current forecast anticipates a slowdown in the growth of consumer spending in 1989 and 1990. This is expected to occur in response to rising interest rates which will not only add to the cost of currently high debt burdens, but will also erode consumer confidence. Spending on consumer durables will show the most dramatic change, declining from the 4.5 percent growth experienced in 1988 to 2.6 percent in 1989 and -0.2 percent in 1990. Spending for services is also expected to slow from 3.5 percent growth in 1988 to 3.0 percent and 1.8 percent in 1989 and 1990, respectively.

Consumer spending is expected to recover in late 1990 and 1991 as falling interest rates and a pickup in economic growth bolster consumer confidence. Total consumption spending is expected to increase 2.2 percent in 1991.

The projected slowdown in consumer spending is an important element of the current forecast. If consumption spending were to remain strong in 1989, it could frustrate the efforts of the Federal Reserve to cool the economy. The resulting growth path for the economy would then resemble the classic "boom-bust" pattern in which excessive aggregate demand leads to accelerating inflation which in turn convinces the monetary authorities that dramatically tighter monetary policy is required. Although not the most likely course of events, this scenario could produce a 1990 recession, and remains a significant risk to the current forecast.

Investment spending at this stage of the business cycle is very sensitive to economic growth. The economy is currently using most of its productive capacity and further increases in output require investment spending to expand capacity. This growth was almost entirely in equipment since unused capacity still exits in commercial and industrial structures in many parts of the country.

The growth in business fixed investment is expected to slow to 4.0 percent in 1989 and 0.2 percent in 1990 in response to slower economic growth and rising interest rates. As economic growth accelerates in 1991, business fixed investment will rebound and grow 3.2 percent.

Inventory investment will play a significant role in the slowdown that is forecasted for 1989. In 1987 and 1988, business inventories grew by

$34.4 billion and $42.5 billion (in 1982 dollars), respectively. This added 0.9% and 1.1% to real GNP. Inventories are now somewhat large relative to sales, particularly in the auto industry, and a slower rate of growth is anticipated for 1989. In 1989, inventories are expected to increase by only $17.8 billion (in 1982 dollars) or 0.4 percent. This slower rate of inventory accumulation alone reduces the growth in real GNP by about 0.7 percent relative to 1988.

The well-known budget deficit problem of the federal government dominates the outlook for government spending. Although federal government purchases of goods and services are expected to increase by 0.4 percent in calendar 1989, this figure is distorted by an artificially large decline in 1988. The distortion in 1988 arose from the large sales of grain from government inventories which were made to offset the crop shortfall caused by the drought. In the National Income and Product Accounts, these sales are counted as negative expenditures. The distortion aside, real spending for goods and services is forecast to be only 0.7 percent higher in 1989 than it was in 1987 and is forecast to decline slightly in 1990 and 1991.

Nevertheless, there will be substantial growth in interest payments and transfer payments (largely social security) which are not counted as purchases of goods and services but are part of government expenditures for calculating the deficit. Rapid growth in these two categories will preclude any dramatic improvement in the deficit. The federal budget deficit is projected to decline modestly from $167 billion in fiscal 1989 to $137 billion in 1990 and $109 billion in 1991.

The international sector of the economy will continue to be a major source of strength for the U.S. economy. In 1988, real exports increased 17.7 percent while imports increased 8.3 percent. This pattern is expected to continue throughout the forecast period. Real exports are expected to grow 10.1 percent in 1989, 8.6 percent in 1990 and 8.4 percent in 1991. At the same time, real imports will grow at a slower pace; 5.9 percent in 1989, 1.4 percent in 1990 and 2.8 percent in 1991.

Nonetheless, the merchandise trade balance will improve only slowly. Several factors explain this slow progress. First, imports are considerably larger than exports so that exports must grow faster than imports just to keep the trade balance from declining. Second, the price of oil, an important import, is expected to rise. Third, the value of the dollar is expected to decline and this will tend to raise the dollar price of imported goods. The merchandise trade deficit is projected to remain at $136 billion in 1989 and then decline to $126 billion in 1990 and $113 billion in 1991.

With the economy operating near full employment, the risk of accelerating inflation is widely recognized. The current forecast assumes that the economy will respond to modest monetary and fiscal restraint and slacken in late 1989. This will keep demand growth in line with supply constraints and allow inflation to stabilize at about 4.5 percent at both the wholesale and retail levels throughout the forecast period. Average hourly earnings will also grow at about this rate, although total compensation per hour (which includes the cost of fringe benefits like health insurance) is expected to increase more rapidly, accelerating from 4.7 percent in 1988 to 5.0 percent in 1989, 5.3 percent in 1991. Fortunately, productivity gains averaging in excess of 1 percent per year will help keep unit labor costs in line with the general rate of inflation.

WISCONSIN OUTLOOK

The current Wisconsin economic forecast follows a pattern similar to the forecast issued last November, with a slight cyclical slowdown this year and in 1990 followed by resumed growth in 1991. However, because of the current strength in the economy, the pattern of the projected shallow cycle has been pushed forward slightly.

In the last quarter of 1988, employment in Wisconsin increased by 19,900 (on a seasonally adjusted basis), compared to an expected increase of 7,200 in the November forecast. This alone is evidence that the economy is continuing its strong growth trends. The unexpected employment growth occurred in construction and services, but was offset by lower than expected growth in retail trade. Service employment rebounded from two weak quarters in mid-1988.

It should be noted that the employment data in the current forecast does not take into account the recent revisions resulting from annual comprehensive benchmarking. However, the impact of the revisions was relatively small, raising total nonfarm employment in 1987 by 0.5 percent.

Since the national economy still shows signs of considerable strength, the Wisconsin economy is poised to do well for the remainder of this year. Total employment is expected to grow by 1.7 percent this year, significantly weaker than the 3.3 percent gain in 1988. Accordingly, total wages are also expected to slow to a 6.6 percent gain compared to the 8.4 percent gain in 1988. Total personal income should do slightly better, growing by an expected 7.1 percent. Non-wage income, primarily personal interest income, will grow at a faster pace to offset the slower growth in employment and wages. Real personal income is projected to grow by 2.4 percent this year.

As interest rates continue to be nudged upward in the Federal Reserve's attempt to slow the economy, Wisconsin economic performance will likely respond with slower growth in 1990. Total employment growth is expected to diminish to 1.2 percent in 1990 before assuming to more normal growth of 2.2 percent in 1991. Total personal income growth in 1990 is expected to slow to 5.1 percent, and real personal income is expected to grow only 0.5 percent. Real personal income will rebound moderately by 1.9 percent in 1991.

Employment in Wisconsin durable manufacturing industries is expected to grow only 0.7 percent this year, largely because of the Chrysler closing. Employment gains in 1990 are also expected to be meager (0.2%) to coincide with the expected cyclical weakness, but then respond to renewed economic growth in 1991 with a gain of 2.3 percent. Nondurable manufacturing employment in Wisconsin is also expected to follow the cyclical trend by posting growth rates of 1.2 percent this year, 0.2 percent in 1990, and 1.5 percent in 1991.

Nonmanufacturing employment in Wisconsin is expected to be more stable over the shallow cycle, but industries such as construction, mining, transportation, and trade are expected to show noticeable employment slowdowns next year. Employment in services is expected to grow 3.4 percent this year, 3.5 percent in 1990, and 4.3 percent in 1991.

During the past two years, all of Wisconsin's durable manufacturing industries with the exception of transportation equipment and electrical machinery, have posted better

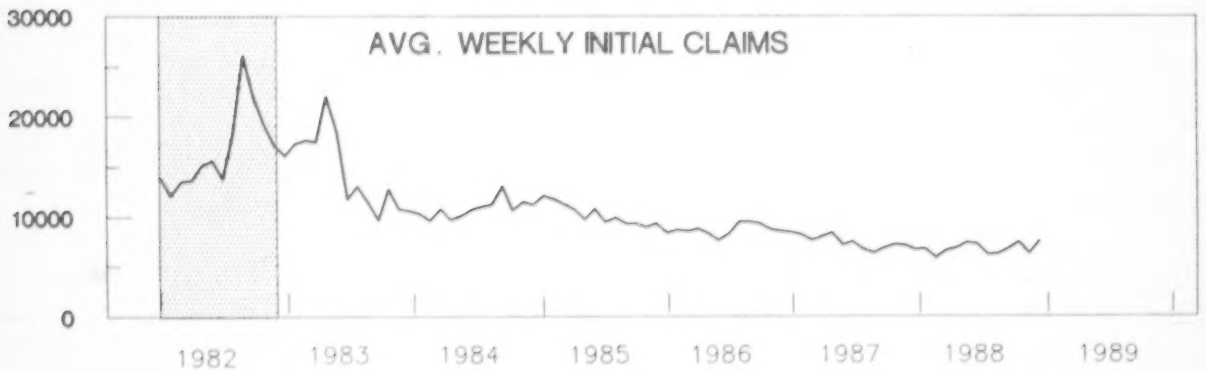
(Continued on back cover)

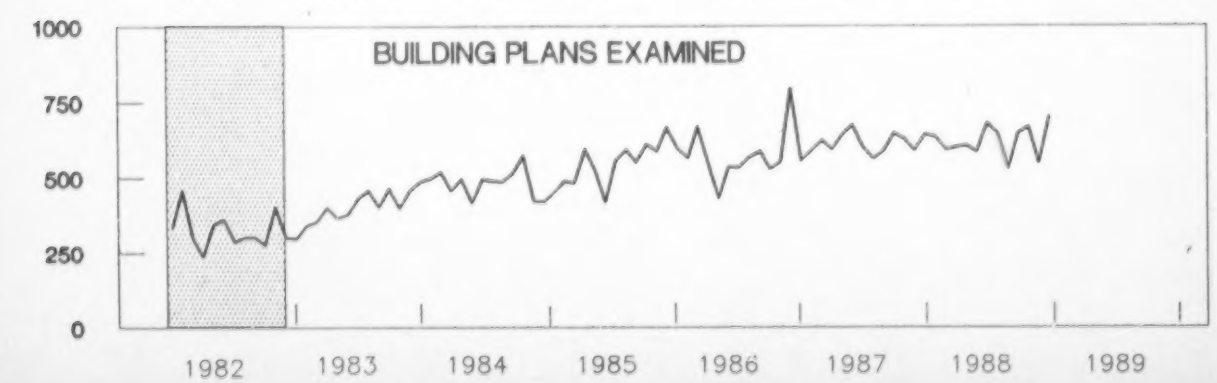
WISCONSIN ECONOMIC INDICATORS

WISCONSIN EMPLOYMENT FORECAST
(Thousands of Workers, Annual Average)

	1987	1988	1989	1990	1991
MANUFACTURING	526.4	548.9	553.9	555.1	566.1
DURABLES	321.7	338.7	341.1	341.9	349.6
LUMBER PRODUCTS	26.4	27.8	28.8	28.7	29.0
STONE, CLAY, GLASS	9.0	9.5	9.6	9.7	9.9
PRIMARY METALS	19.9	22.1	23.5	23.4	24.2
FABRICATED METALS	53.4	56.7	58.2	58.4	59.9
NON-ELECT. MACHINERY	102.0	109.5	113.1	114.8	118.4
ELECTRICAL MACHINERY	46.6	47.6	47.6	47.7	49.3
TRANS. EQUIPMENT	32.7	31.6	25.9	25.1	24.6
OTHER DURABLES	31.8	33.8	34.5	34.1	34.3
NONDURABLES	204.6	210.2	212.7	213.2	216.5
FOOD PRODUCTS	61.8	62.5	63.6	63.4	62.9
PAPER PRODUCTS	48.2	48.3	48.5	49.0	49.8
PRINTING & PUBLISHING	41.4	44.5	45.9	46.7	48.2
CHEMICALS	10.3	10.4	10.6	10.6	10.8
RUBBER & PLASTICS	24.8	25.5	26.0	26.0	27.3
OTHER NONDURABLES	18.2	18.9	18.2	17.6	17.5
MINING	2.0	2.2	2.2	2.2	2.2
CONSTRUCTION	67.4	72.1	72.2	70.9	71.4
TRANS., COMM., UTILITIES	94.1	96.9	98.1	98.7	100.7
FINANCE, INSUR., REAL EST.	112.3	114.4	116.2	117.3	120.0
TRADE	495.2	513.6	522.3	529.3	539.7
SERVICES	454.9	469.6	485.7	502.6	524.3
GOVERNMENT	327.3	331.5	334.8	335.7	335.5
TOTAL EMPLOYMENT (Nonfarm)	2079.7	2149.1	2185.4	2211.7	2259.8

D CYCLICAL INDICATORS





Department of Industry,
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(Continued from page 11)

employment growth than U.S. durable manufacturing. These industries have reaped the benefits of a lower dollar and a strong U.S. economy. These trends are expected to continue throughout the forecast period. Although both Wisconsin and U.S. growth slows in 1990, Wisconsin growth rates are expected to exceed the U.S. averages.

The advantage in employment growth does not, however, always translate into better earnings performance. Manufacturing wage rates in Wisconsin, relative to U.S. manufacturing wage rates, have adjusted dramatically since the early 1980's in response to competitive cost pressures. Average hourly earnings of production workers in Wisconsin durable manufacturing industries have dropped from 7 percent above the U.S. average in 1983 to slightly below the U.S. average today. This downward trend is expected to continue so that durable manufacturing average hourly earnings are expected to be about 3 percent below the U.S. average by 1991.

The downward drift in relative wage rates is also apparent in other Wisconsin industries, with the effect that personal income growth is reduced from what could be expected on the basis of employment growth alone.